

THE EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION CONTAINED IN THIS FILING STATEMENT, WHICH IS A REPRODUCTION OF THE ORIGINAL FILED WITH THE EXCHANGE BY THE COMPANY AND IS ISSUED FOR INFORMATION PURPOSES ONLY. THIS FILING STATEMENT IS NOT TO BE REPRODUCED IN WHOLE OR IN PART WITHOUT THE WRITTEN APPROVAL OF THE TORONTO STOCK EXCHANGE.

TORONTO STOCK EXCHANGE

FILING STATEMENT No. 740.
FILED, MAY 24th. 1962.

DYNAMIC PETROLEUM PRODUCTS LIMITED

Full corporate name of Company

Incorporated under the Alberta Companies Act, January 27th, 1958

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953

(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous

Filing Statement No. 483.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	The purchase of all of the assets of Marpoint Gas & Oil Corporation Limited, subject to its liabilities, for the consideration of \$1,170,643.00 payable by the issue and allotment of 2,099,313 shares of the company (see Schedule "A" on page 2)
2. Head office address and any other office address.	1011-A 17th Avenue S.W., Calgary, Alberta.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	Frank Brown - President - Petroleum Production Supervisor 16 Massey Place, Calgary, Alberta. Roger D. Paugh - Vice-President - Petroleum Accountant 24 Cardiff Place, Calgary, Alberta. R. Clive Brown - Secretary-Treasurer - Petroleum Engineer 24 Massey Place, Calgary, Alberta. A.P. Newall, Jr. - Director - Oil Company Executive 7607 - 7th Street S.W., Calgary, Alberta.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized capital - 10,000,000 shares without par value Issued and outstanding capital - 3,222,319 shares
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Bank loan secured by hypothecation of Saskatchewan producing properties in the amount of \$13,000 as at December 31st, 1961. Loans from shareholders, secured by Notes in the amount of \$54,250.00.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Employees' Stock Option Plan dated October 20, 1959 as amended September 6, 1960, covering 189,000 shares of which 27,000 shares are exercisable at each 50¢, 60¢, 75¢, \$1, \$1.25, \$1.50 and \$2 per share respectively on January 1, April 1, July 1, October 1, all in 1960; January 1 and July 1 in 1961 and January 1, 1962. All options expire December 31, 1963 and are not assignable. The 50¢ option has been exercised to the extent of 2,000 shares.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Not applicable.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The company proposes to engage in further development of its petroleum and natural gas properties, as funds permit. The company will continue to study prospects for the acquisition of property interest through merger and exploratory and development programs in Canada.

SCHEDULE "A"

By an Agreement dated January 2nd, 1962, between Dynamic Petroleum Products Limited and Marpoint Gas & Oil Corporation Limited, the former agreed to purchase and the latter agreed to sell all of its assets subject to its liabilities in consideration of the sum of \$1,170,643.00 payable by the issue and allotment of 2,099,313 shares of Dynamic.

The Agreement provides that Marpoint is to be wound up and the shares of Dynamic distributed to the shareholders of Marpoint. The Agreement is subject to approval by shareholders of both companies and it is also provided that the 2,099,313 shares of Dynamic will be distributed amongst approximately 3,000 Marpoint shareholders. 1,050,000 shares of Dynamic will be deposited in escrow and will be subject to release only upon consent of the Toronto Stock Exchange and any other Exchange upon which the shares of the company are listed.

The escrowed shares will be held by the following:

Paul Henderson, Suite 608, 80 Richmond Street W., Toronto 1, Ontario	500,000 shares
Frank Brown, 16 Massey Place, Calgary, Alberta	160,000 shares
R. Clive Brown, 24 Massey Place, Calgary, Alberta	160,000 shares
A. P. Newall Jr., 7607 - 7th St. S.W., Calgary, Alberta	160,000 shares
E. A. Manning, Suite 400, 185 Bay St., Toronto, Ontario	70,000 shares

Upon issue of the 2,099,313 shares of Dynamic, there will be 5321,632 shares of this company issued and outstanding.

FINANCIAL STATEMENTS

DYNAMIC PETROLEUM PRODUCTS LTD.

CALGARY, ALBERTA

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1961

(Unaudited)

[illegible]

DYNAMIC PETROLEUM PRODUCTS LTD.

CALGARY, ALBERTA

STATEMENT OF CONSOLIDATED REVENUE AND EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1961

(Unaudited)

Revenue

Crude oil sales, less royalties - 24,448 bbls.	\$64,460.80	
Less - production expenses	<u>20,225.10</u>	\$ 44,235.70
Interest earned		2,424.95
Profit on sale of leases and reservations		240.00
Profit on sale of securities		144.60
Geological and survey fees		800.00
Profit on disposal of equipment		<u>642.15</u>
		\$48,487.40

Expenses

Administrative, less recoveries	47,082.66	
Technical	5,651.06	
Petroleum and natural gas lease and reservation	<u>13,208.56</u>	<u>65,942.28</u>

Net Loss Before Depletion, Amortization,

<u>Depreciation and Write-off of</u>	
<u>Abandoned Properties</u>	(17,454.88)

Provision for:

Depletion of petroleum and natural gas interests	18,511.01	
Amortization of well development costs	6,296.50	
Depreciation of equipment	<u>15,788.07</u>	<u>40,595.58</u>
		(58,050.46)

Abandonments

Petroleum and natural gas leases and reservations	57,058.50	
Well development	<u>94.19</u>	<u>57,152.69</u>

Net Loss

(\$115,203.15)

DYNAMIC PETROLEUM PRODUCTS LTD.

CALGARY, ALBERTA

SCHEDULE OF CONSOLIDATED EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1961

(Unaudited)

Administrative

Advertising and publicity	\$4,394.16	
Audit	1,600.00	
Auto and trailer (excluding depreciation)	\$4,669.19	
Less - recovered	<u>4,492.80</u>	176.39
Business tax		655.50
Directors' fees		1,000.00
Electricity		610.70
Filing and Listing Fees		1,296.85
Insurance		30.61
Interest and exchange		2,656.52
Janitor service		818.50
Legal fees		6,196.01
Maintenance and repairs		136.79
Memberships		73.00
Miscellaneous		761.53
Postage and express		983.88
Printing and stationery		2,468.46
Rent		6,900.00
Salaries		38,408.45
Telephone and telegrams		3,754.89
Transfer agents' fees and expenses		2,430.49
Travel and business promotion		3,496.95
Unemployment insurance		189.78
Workmen's Compensation		102.20
	<u>79,141.66</u>	
Less - Expenses recovered	<u>32,059.00</u>	<u>\$47,082.66</u>

Technical

Geological reports and expense	\$3,590.64	
Maps	317.87	
Technical publications and subscriptions	<u>1,742.55</u>	<u>\$ 5,651.06</u>

Petroleum and Natural Gas Lease and Reservation

Rentals	\$12,817.35	
Filing and transfer fees	<u>391.21</u>	<u>\$13,208.56</u>

DYNAMIC PETROLEUM PRODUCTS LTD.

CALGARY, ALBERTA

COMPARISON OF WORKING CAPITAL POSITION

	BALANCE January 1, 1961	BALANCE December 31, 1961	NET INCREASE (DECREASE)
<u>Current Assets</u>			
Cash in bank	\$ 19,368.25	\$ 7,691.58	(\$ 11,676.67)
Accounts receivable	112,766.97	28,155.57	(84,611.40)
Accrued interest	1,602.31	808.25	(794.06)
Inventory of oilwell materials	1,055.11	1,299.38	244.27
Prepaid expenses	1,950.31	1,950.31	-
Marketable securities	6,846.03	7,305.00	458.97
Deposits			
Cash	26,641.67	1,791.67	(24,850.00)
Government of Canada Bonds	38,855.85	25,567.50	(13,288.35)
	<u>209,086.50</u>	<u>74,569.26</u>	<u>(134,517.24)</u>
<u>Current Liabilities</u>			
Bank loan	37,000.00	13,000.00	(24,000.00)
Accounts payable	79,769.66	10,254.58	(69,515.08)
Accrued interest	430.52	293.13	(137.39)
Shareholders' loans	50,000.00	31,750.00	(18,250.00)
	<u>167,200.18</u>	<u>55,297.71</u>	<u>(111,902.47)</u>
<u>Working Capital</u>	<u>\$ 41,886.32</u>	<u>\$19,271.55</u>	<u>(\$ 22,614.77)</u>

DYNAMIC PETROLEUM PRODUCTS LTD.

CALGARY, ALBERTA

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1961

(Unaudited)

Source of Funds

Sale of 6,819 shares of treasury stock at 70 cents per share	\$ 4,773.30	
Net proceeds from production after providing for royalties and operating costs	44,235.70	
Interest earned	2,424.95	
Geological and survey fees	800.00	
Sale of investments	1,782.67	
Sale of automotive equipment	9,400.00	
Sale of petroleum and natural gas lease	<u>240.00</u>	\$ 63,656.62

Application of Funds

Loss on sale of marketable securities	692.82	
Shares of subsidiary company Dynamic Petroleum Products Inc.	100.00	
Administrative expense	47,082.66	
Technical expense	5,651.06	
Petroleum and natural gas lease and reservation expense	13,208.56	
Office furniture and equipment	182.00	
Well development costs	9,924.00	
Production equipment	3,680.29	
Automotive equipment	<u>5,750.00</u>	<u>86,271.39</u>

Net Decrease in Working Capital

(\$22,614.77)

Approved on Behalf of the Board

Raymond A. Paragh Director

J. C. Brown Director

MARPOINT GAS & OIL CORPORATION LIMITED

NOTES TO BALANCE SHEET AS AT SEPTEMBER 30, 1961

1. Interests in Petroleum and Natural Gas Leases, Reservations and Royalties:

Province of Alberta

Reservations No. 3695, 4009, 4010 and 4102, 3698 (17.647% of 11.25% Net Carried Interest)	\$ 1.00
Reservations No. 3574, 3576, 3577, 3586, 3594, 3660, 3661, 3700 and 3701 (23.7923% of 1% Gross Overriding Royalty)	2,465.25
Reservations No. 3789, 3790 and 3791 (23.7923% of 3½% Gross Overriding Royalty)	15,000.00
Leases No. 100285 and 100286 (30% interest)	1.00
Leases No. 100287 to 100311 inclusive (10% interest)	1.00
Leases selected from Reservations No. 560, 562 and 563 (20% interest)	2,428.93
Leases selected from Reservations No. 643 and 653 (10% interest)	6,027.00
Gas Licenses No. 87 and 112, and Reservation No. 4006 (100% interest)	11,167.31
Leases selected out of Reservation No. 3710 (50% interest)	481.00
Gas Leases Nos. 532, 533 and 534 (33-1/3% interest)	90,000.00
Reservation No. 4122 (100% interest)	339.85

Province of Saskatchewan

Leasehold, NE ¼ of Section 9, Township 3, Range 4, W2 (12½% interest)	1.00
	<u>\$ 127,913.34</u>

2. Deposits with Alberta Government:

The Company is the owner of bonds costing \$36,699.95 (Market Value \$34,337.00) which have been deposited with Dynamic Petroleum Products Ltd., as custodian and which are being used as deposits on Petroleum and Natural Gas Reservations.

3. As at September 30, 1961, 819,782 shares of Capital Stock were reserved in accordance with the terms of a "Rights Offering" made to Shareholders on July 28, 1961. Subsequent to the date of this Balance Sheet 6,392 shares were issued in this connection and the "Rights Offering" was terminated as of October 10, 1961 by a Notice of Expiration mailed to Shareholders on September 27, 1961.

4. Deficit Account:

Balance as at October 1, 1960	\$ 74,856.18
Share of cost of drilling unproductive wells	72,357.66
Cost of properties abandoned	2,846.33
	<u>\$150,060.17</u>

5. Investment in Shares of Other Oil and Gas Companies

As at September 29, 1961 Quoted Market Prices were:

Royal Canadian Ventures Limited	- 9-3/4¢ per share
Crusade Petroleum Corporation Limited	- 45¢ per share

MARPOINT GAS & OIL CORPORATION LIMITED

STATEMENT OF DEFERRED DRILLING AND DEVELOPMENT,
INCLUDING HEAD OFFICE AND ADMINISTRATIVE EXPENSES AND
EXPENSES OF SALE OF CAPITAL STOCK, FOR THE YEAR ENDED
SEPTEMBER 30, 1961

	As at October 1, 1960	Year	Total September 30, 1961
<u>Drilling and Development</u>			
Share of Cost of Drilling Wells	\$ 179,491.98	\$ 145,933.12	\$ 325,425.10
Lease Rentals	48,398.35	7,728.59	56,126.94
Geological Fees and Expenses	12,673.59	25,037.69	37,711.29
Alberta Representatives' Fees	8,000.00	4,800.00	12,800.00
	<u>248,563.92</u>	<u>183,499.40</u>	<u>432,063.32</u>
Less: Revenue from Production	4,659.14	2,130.23	6,789.37
	<u>243,904.78</u>	<u>181,369.17</u>	<u>425,273.95</u>
<u>Head Office and Administration</u>			
Directors' Fees and Expenses	1,550.00	550.00	2,100.00
Legal and Audit	6,165.55	5,593.13	11,763.73
Office Supplies and Services	4,750.51	7,098.62	11,849.13
Consulting Fees		10,000.00	10,000.00
Prospectus Costs	4,739.54	868.87	5,608.41
Publicity and Shareholders' Information	4,777.48	3,092.75	7,870.23
Share Issue and Transfer Expense	4,003.84	2,142.59	6,146.43
Travel	2,432.53	720.49	3,203.07
	<u>28,469.50</u>	<u>30,071.50</u>	<u>58,541.00</u>
Less: Interest Income	12,952.83	5,372.66	18,325.49
	<u>15,516.67</u>	<u>24,698.84</u>	<u>40,215.51</u>
<u>Expenses of Sale of Capital Stock</u>			
Agents' Commission	378,443.48	26,313.84	404,757.32
Agents' Selling Costs	231,753.70	52,552.52	284,306.22
	<u>610,197.18</u>	<u>78,866.36</u>	<u>689,063.54</u>
	869,618.63	234,934.37	1,104,553.00
<u>Less:</u>			
Share of Cost of Drilling Unproductive Wells written off to Deficit Account	81,706.04	72,357.66	154,063.70
	<u>\$ 787,912.59</u>	<u>\$ 212,576.71</u>	<u>\$1,000,489.30</u>

MARPOINT GAS & OIL CORPORATION LIMITED

STATEMENT OF SOURCE AND APPLICATION OF
FUNDS FOR THE PERIOD FROM OCTOBER 1, 1961
TO FEBRUARY 28, 1962 (UNAUDITED)

Source of Funds

Sale of capital stock - 4,302 shares	\$8,604.00	
Sale of Government of Canada Bonds	6,937.46	
Production Revenue	1,984.49	
Interest Income	<u>890.00</u>	\$18,415.95

Application of Funds

Acquisition of Mineral Rights	26,200.00	
Share of cost of Drilling Wells	5,109.03	
Geologists' Fees and Expenses	4,904.73	
Alberta Representatives' Fees	1,200.00	
Insurance	96.80	
Office Supplies and Services	460.26	
Publicity and Shareholders' Information	913.89	
Transfer Agents' Fees and Expenses	1,244.79	
Consulting Fees	1,600.00	
Legal and Audit	100.00	
Corporation Taxes	<u>50.00</u>	\$41,879.50

Decrease in Working Capital \$23,463.55

Approved on behalf of the Board,

Lawrence Director

W. H. Sear Director

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ROYAL CANADIAN VENTURES LTD. AND ITS WHOLLY OWNED SUBSIDIARY,
ROYCAN PETROLEUMS INC.

Notes to the Consolidated Financial Statements
September 30, 1961

- The accompanying consolidated financial statements include the accounts of Royal Canadian Ventures Ltd. and its wholly owned subsidiary company. The remaining excess of the purchase price of the shares of the subsidiary company over the net book value of such shares at the date of acquisition in the amount of \$65,422.73 is being depleted on the same basis as the asset to which it applies, and during the year ended September 30, 1961 an amount of \$2,420.96 has been charged to provision for depletion. The unamortized excess at September 30, 1961 amounted to \$55,451.05.
- During the year ended September 30, 1961 the company acquired two groups each of 16 undeveloped mining claims for cash payments aggregating \$20,800.00 and an undertaking to pay additional amounts of \$10,000.00 in respect to each group of claims only out of 5% of the gross proceeds of production from each group respectively. The company obtained an option to purchase additional undeveloped mining claims in the area and made a cash payment, on execution of the option agreement on August 7, 1961, of \$2,500.00. The total price under the option is \$100,000.00 and the balance is required to be paid as follows:

Within 6 months from date of agreement	\$2,500.00
Within 12 months from date of agreement	\$5,000.00
Within 18 months from date of agreement	\$5,000.00
Within 24 months from date of agreement	\$10,000.00
Within 30 months from date of agreement	\$10,000.00
Within 36 months from date of agreement	\$15,000.00
Within 42 months from date of agreement	\$15,000.00
Within 48 months from date of agreement	\$17,500.00
Within 54 months from date of agreement	\$17,500.00

No liability is set up on the books of the company or the accompanying financial statements in respect to the amounts payable solely out of production or for payments under the option.
- During the year ended September 30, 1961 200,000 shares were issued, in the capital stock of the company, for a cash consideration of \$20,000.00.

ROYAL CANADIAN VENTURES LTD. AND ITS WHOLLY OWNED SUBSIDIARY,
ROYCAN PETROLEUMS INC.

Consolidated Statement of Earnings and Deficit
Year ended September 30, 1961

Revenue:			
Crude oil sales less royalties		\$ 72,517.11	
Gas sales less royalties		<u>15,586.61</u>	
			88,103.72
Expenses:			
Production expenses including lease rentals	\$ 27,334.22		
Depletion	23,351.49		
Depreciation	<u>5,772.77</u>	<u>56,458.48</u>	
			31,645.24
General and administrative expenses:			
Salary - management	9,600.00		
Salary and bonus - other	6,700.00		
Professional services	4,300.01		
Bad debt expense	275.08		
Depreciation	679.93		
Other - net	<u>4,657.51</u>	<u>26,212.53</u>	
			5,432.71
Net profit before the following			
Other charges - net:			
Dry holes and abandonments	29,662.65		
Lease rentals, non-producing	1,544.19		
Loss on disposal of fixed assets	<u>118.59</u>		
	31,325.43		
Less:			
Interest income	\$ 2,162.58		
Gain on disposal of a reservation	4,250.00		
Gain on disposal of investments - net	1,032.26		
Royalty	<u>827.77</u>	<u>8,272.61</u>	<u>23,052.82</u>
Net loss			17,620.11
Deficit, September 30, 1960			<u>646,938.37</u>
Deficit, September 30, 1961			<u>\$ 664,558.48</u>

The accompanying notes 1 to 3 form an integral part of the financial statements.

ENGINEER'S REPORT

Note - The following are excerpts from an Evaluation Report of P. & N.G. Reserves and Holdings of Dynamic Petroleum Products Ltd., as of October 31, 1961, by J.C. Sproule and Associates Ltd. A complete copy of the report is on file with the Toronto Stock Exchange.

INTRODUCTION

This report has been prepared at the request of Mr. A. P. Newall, Jr. of Dynamic Petroleum Products Ltd. It consists of estimates and evaluations of oil and gas reserves and an evaluation of the unproven P. & N. G. holdings of Dynamic Petroleum Products Ltd., hereinafter referred to as the "Company".

The properties in which the Company has interests are situated in Alberta and Saskatchewan and amount to 2,265,970 gross acres, of which 19,280 acres are proven and the remaining 2,246,690 acres are unproven. The Company's interests are in the form of net carried interests, participating interests and royalty interests in P. & N. G. Leases, Gas Leases, and P. & N. G. Reservations.

The property descriptions supplied by the Company have been accepted as correct without further investigation by this firm. There has been no field inspection made of the producing leases or investigation made respecting any legal title or operating agreement relating to the properties.

The engineering and geological data on which this report is based have been obtained from the files of J. C. Sproule and Associates Ltd., from information supplied by Dynamic Petroleum Products Ltd., and from various published records.

SUMMARY AND CONCLUSIONS

The Company holds varying interests in Petroleum and Natural Gas Leases and Reservations totalling 2,265,970 gross acres, of which 19,280 acres are proven gas and oil properties and the remaining 2,246,690 acres are considered unproven. These holdings are located in the provinces of Saskatchewan and Alberta.

The Company's net holdings total 76,355 acres of which 4,875 acres are considered proven. The most valuable properties are in the Jenner area of southeastern Alberta where there are proven gas reserves and in the Steelman and Hastings fields of southeastern Saskatchewan where the Company has interests in producing oil wells.

The Company's reserves of gas and oil have been calculated either volumetrically or by use of production decline curves as the situation demanded. Present worth calculations included consideration of current wellhead prices and production and other operating costs. A discount rate of six percent with interest computed semi-annually was used for calculating present worth.

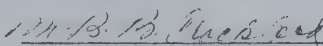
The Company's unproven properties have been evaluated after considering all known pertinent factors, including geological structure, presence of prospective producing horizons, terrain and accessibility, access to markets, and the legal and operating status of the various holdings.

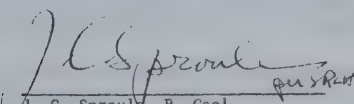
The net Company reserves and present worth after royalty, together with a valuation of unproven properties as of October 31, 1961 are summarized below:

		<u>Present Worth</u>
Oil Reserves	185,746 Bbls.	\$234,953
Pipeline Gas Reserves	9,991 MMcf.	298,283
Total Reserves:		\$533,283
Valuation of Unproven Properties	71,480 Net acres	<u>456,477</u>
Total Valuation of Company P. & N. G. Reserves and Holdings:		<u>\$989,760</u>

The dollar valuations of proven reserves in this report are engineering valuations representing the present worth to the Company of future net operating properties. The valuations of unproven properties are based on geological and other data as well as on current selling prices. Since no consideration has been given to the factors of investment risk, profits, payout periods or income tax, the values presented should not necessarily be construed as fair market values.

The reserves and valuations given in this report are believed to be realistic on the basis of all information now available.


M. B. B. Crockford, P. Geol.

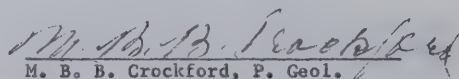

J. C. Sproule, P. Geol.

1009 Fourth Avenue S.W.,
Calgary, Alberta.
March 29, 1962

CERTIFICATE

I, Michael Bertrand Bray Crockford, consulting geologist with the firm of J. C. Sproule and Associates Ltd. of 1009 Fourth Avenue S.W., Calgary, Alberta, do declare:

1. That I graduated from the University of Alberta with the degree of Bachelor of Arts in 1929, and obtained the degree of Master of Science in Geology in 1935.
2. That I am a member of the American Association of Petroleum Geologists, the Canadian Institute of Mining and Metallurgy, the Alberta Society of Petroleum Geologists, the Geological Association of Canada, and that I am a registered Professional Geologist for the Province of Alberta.
3. That I have no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the properties described in the attached report entitled, "Evaluation of the P. & N. G. Reserves and Holdings of Dynamic Petroleum Products Ltd. (as of October 31, 1961)", nor have I any interest, present or expected, in the securities of Dynamic Petroleum Products Ltd.
4. The above report is based on our geological and other general knowledge of the areas described above and upon a consideration of all available data on wells drilled on them and in adjacent areas, and upon examination of electric logs and available production engineering data on wells on and in the vicinity of the aforementioned properties.


M. B. B. Crockford, P. Geol.

1009 Fourth Avenue S.W.,
Calgary, Alberta.
March 29, 1962

Note - The following are excerpts from an Evaluation Report of P. & N.G. Reserves and Holdings of Marpoint Oil & Gas Corporation Limited, as of October 31, 1961, by J.C. Sproule and Associates Ltd. A complete copy of the report is on file with the Toronto Stock Exchange.

INTRODUCTION

This report has been prepared at the request of Mr. A. H. Newall, Jr. of Marpoint Gas & Oil Corporation Limited. It consists of an estimation and evaluation of the oil and pipeline gas reserves and an evaluation of the P. & N. G. holdings of Marpoint Gas & Oil Corporation Limited, as of October 31, 1961.

In the interests of brevity, Marpoint Gas & Oil Corporation Limited is referred to hereinafter as the "Company."

The properties in which the Company has interests amount to 1,477,325 gross acres, of which 19,520 acres are proven and 1,457,805 acres are unproven.

The holdings concerned are located in the Provinces of Alberta and Saskatchewan. These holdings are in the form of P. & N. G. Leases, Natural Gas Leases, Royalty Interests and P. & N. G. Permits.

The Company's gas reserves are located in the Jenner area of south-eastern Alberta and the oil reserves are in the Steelman field of southeastern Saskatchewan. The Company's gas reserves are in several pools in the Jenner field which is close to the main gathering line of the Alberta Gas Trunk Lines Ltd.

The properties and descriptions supplied by the Company have been accepted as correct without further investigation by this firm. There has been no field inspection made of producing leases or investigations made as to legal titles or respecting any operating agreements relating to their leases.

The engineering and geological data upon which this report is based have been obtained from the files of Marpoint Gas & Oil Corporation Limited, the Oil and Gas Conservation Board of Alberta and J. C. Sproule and Associates Ltd.

SUMMARY AND CONCLUSIONS

The properties in which the Company owned interests amount to 1,477,325 acres, of which 19,520 are proven and the remaining 1,457,805 acres are unproven. The foregoing gross and unproven figures include a duplication of 1,600 acres, which is held under more than one type of title.

A summary of the Company's oil and gas reserves and unproven properties and the value placed on these holdings is as follows:

	<u>Net Company Interest</u>	<u>Valuation</u>
Oil Reserves	58,772 Bbls.	\$ 77,819
Pipeline Gas Reserves	8,808,000 Mcf.	264,240
Present Worth of Reserves		\$ 342,059
Valuation of Unproven Properties	271,237 Net Acres	292,363
Total Valuation of Company P. & N. G. Reserves and Holdings		<u>\$ 634,422</u>

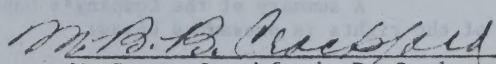
The Company's oil reserves are all situated in the Steelman field of southeastern Saskatchewan and in the Jenner area of southeastern Alberta. The Steelman field will presently be waterflooded and the recovery factor of 32 percent may be revised after a few years. No value can be given at this time to the reserve of heavy oil in the Jenner field of southeastern Alberta, because there is no market for this oil in the foreseeable future.

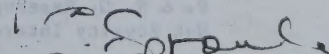
The Company's gas reserves are in the Jenner field of southeastern Alberta and are situated close to a major gas gathering line. Consequently, a gas gathering system to supply gas to this line can be constructed with a minimum of cost. From information supplied by the Company, a contract for the sale of this gas is expected to be negotiated towards the end of 1962.

The Company's unproven acreage is scattered throughout Alberta. With particular reference to that in northern Alberta, a gas or oil discovery in those parts could enhance the value of these properties considerably.

The dollar figures given for proven reserves in the report constitute an engineering evaluation, representing the present worth of future revenue at a discount rate of six percent per annum, compounded semi-annually. The valuation of unproven properties is based upon geological and other data as well as on current market prices. Since there is no consideration given to the factors of investment risk, return on investment, payout period or income tax position, the values given in this report to reserves and unproven properties represent a value to the Company and are not to be construed as fair market values.

The reserves and property valuations given in this report are believed to be realistic on the basis of all information available.


M. B. B. Crockford, P. Geol.

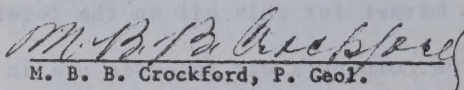

J. C. Sproule, P. Geol.

1009 Fourth Avenue S. W.,
Calgary, Alberta.
December 30, 1961.

CERTIFICATE

I, Michael Bertrand Bray Crockford, consulting geologist with the firm of J. C. Sproule and Associates Ltd. of 1009 Fourth Avenue S.W., Calgary, Alberta, do declare:

1. That I graduated from the University of Alberta with the degree of Bachelor of Arts in 1929, and obtained the degree of Master of Science in Geology in 1935.
2. That I am a member of the American Association of Petroleum Geologists, the Canadian Institute of Mining and Metallurgy, the Alberta Society of Petroleum Geologists, the Geological Association of Canada, and that I am a registered Professional Geologist for the Province of Alberta.
3. That I have no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the properties described in the attached report entitled, "Evaluation of the P. & N. G. Reserves and Holdings of Marpoint Gas & Oil Corporation Limited (as of October 31, 1961)", nor have I any interest, present or expected, in the securities of Marpoint Gas & Oil Corporation Limited.
4. The above report is based on our geological and other general knowledge of the areas described above and upon a consideration of all available data on wells drilled on them and in adjacent areas, and upon examination of electric logs and available production engineering data on wells on and in the vicinity of the aforementioned properties.


M. B. B. Crockford, P. Geol.

1009 Fourth Avenue S.W.,
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December 30, 1961

Note - The following are excerpts from an Evaluation Report of the Unproven P. & N.G. Holdings of Royal Canadian Ventures Ltd., as of October 31, 1961, by J.C. Sproule and Associates Ltd. A complete copy of the report is on file with the Toronto Stock Exchange.

INTRODUCTION

The present report has been prepared at the request of Mr. A. P. Newall Jr. acting for Royal Canadian Ventures Ltd., hereinafter referred to as the "Company". The request was made for a dollar evaluation of the Company's Unproven holdings as of October 31, 1961. These holdings are situated in Alberta and British Columbia.

The details of the holdings concerned have been given to us by the Company on maps and in table form. We have taken such data without investigation on our part as to title or percentage interests held by the Company.

A summary of the Company's Unproven holdings by Provinces and by nature of the rights is presented below:

	<u>Gross Acres</u>	<u>Net Acres</u>
Alberta		
P. & N. G. Leases	7,120	1,375
P. & N. G. Reservations	681,314	582,668
Net Royalty Interests	<u>5,280</u>	<u>-</u>
	693,714	584,043
British Columbia		
Royalty Interests	<u>24,815</u>	<u>-</u>
Totals:	<u>718,529</u>	<u>584,043</u>

SUMMARY AND CONCLUSIONS

According to the information supplied to us, the Company holds varying interests in 718,529 gross acres of unproven properties. The properties are in the form of P. & N. G. Leases, Natural Gas Leases, Natural Gas License, P. & N. G. Reservations and Royalty Interests. The Company's net interest in these properties amounts to 584,043 acres. The holdings are located principally in Alberta with minor interests held in southwestern British Columbia.

The Company's properties have been evaluated after taking into consideration all known pertinent factors including geological structure, presence of prospective producing horizons, terrain and accessibility, access to pipelines and markets, relationships to known production, the legal and operating status of the various holdings, etc.

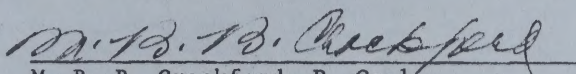
On the basis of present knowledge, the most valuable Company holdings are those in central Alberta, that is, in the Newbrook and Lac La Biche properties. The holdings in northern Alberta, for example, the Sawn Lake holdings, could develop into very valuable assets if a significant oil or gas discovery should be made in that general area.

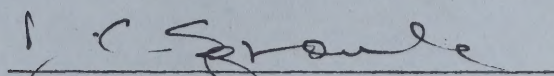
Our valuation of the Company's unproven properties is summarized below:

	<u>Net Acres</u>	<u>Valuation</u>
Alberta	584,043	\$277,492
British Columbia	<u>-</u>	<u>1,550</u>
Totals:	<u>584,043</u>	<u>\$279,042</u>

In the above it should be understood that our valuation figure for the properties concerned does not represent a cash value, but rather a value to the Company. A fair market value as representing a figure of what one might expect to receive in cash would be, in our opinion, as much as 40 percent less than the figure shown, or \$168,000. The difference represents any possible risks involved and the common difference in viewpoint that exists between the buyer and the seller. At the same time, it should be understood that our figure of \$279,042 represents a distinctly conservative value to the Company. Since it is a value to the Company it is the figure that is commonly used between two amalgamating companies or for stock issue purposes.

The valuation data given in this report are believed to be realistic on the basis of all information now available.


M. B. B. Crockford, P. Geol.


J. C. Sproule, P. Geol.

1009 Fourth Avenue S.W.,
Calgary, Alberta.
December 30, 1961

J. C. SPROULE AND ASSOCIATES LTD.

10. Brief statement of company's chief development work during past year.	Three deep test wells were drilled on the Pan American farmout in Cariboo Mountains area, Alberta. To date in 1962, Pan American has drilled another deep test and is now drilling the second on the same farmout. Four test wells were drilled on the Saddle Lake farmout by Westates Oil Co. One of these wells was completed as a commercial gas well. The second well was drilled on the Mackie Lease in the Steelman Area of Saskatchewan and was completed as a commercial producer of light oil. Shell Oil Co. has continued its exploration work on the Blue Creek Reservation lands.										
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	See Schedule "A" on page 2.										
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	See Schedule "A" on page 2.										
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	632,896 shares are held in escrow by the Prudential Trust Co. Ltd., of which 400,000 are subject to release by consent of the Alberta and Ontario Securities Commissions and the various Stock Exchanges upon which the shares are listed. 232,896 shares will be released on May 15, 1962.										
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	The above shares are held as to one-third by R. Clive Brown, as to one-third by Frank Brown and as to one-third by A.P. Newall, Jr., all officers and directors of the company.										
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table> <tr> <td>Precision Radiation Surveys Ltd., 1011 - 17th Ave. S.W., Calgary, Alberta.</td> <td>400,000 shares</td> </tr> <tr> <td>Frank Brown, 16 Massey Place, Calgary, Alberta.</td> <td>360,950 shares</td> </tr> <tr> <td>R. Clive Brown, 24 Massey Place, Calgary, Alberta.</td> <td>175,892 shares</td> </tr> <tr> <td>A.P. Newall, Jr., 7607 - 7th St. S.W., Calgary, Alberta.</td> <td>174,871 shares</td> </tr> <tr> <td>Jas. Richardson & Sons, Winnipeg, Manitoba.</td> <td>117,639 shares</td> </tr> </table> <p>The 400,000 shares in the name of Precision Radiation Surveys Ltd. are beneficially owned by F. Brown, R.C. Brown and A.P. Newall, Jr., as are the shares registered in their names. The shares registered in the name of Jas. Richardson & Sons are not beneficially owned. 632,896 of the shares held by the first four shareholders are held in escrow.</p>	Precision Radiation Surveys Ltd., 1011 - 17th Ave. S.W., Calgary, Alberta.	400,000 shares	Frank Brown, 16 Massey Place, Calgary, Alberta.	360,950 shares	R. Clive Brown, 24 Massey Place, Calgary, Alberta.	175,892 shares	A.P. Newall, Jr., 7607 - 7th St. S.W., Calgary, Alberta.	174,871 shares	Jas. Richardson & Sons, Winnipeg, Manitoba.	117,639 shares
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A.P. Newall, Jr., 7607 - 7th St. S.W., Calgary, Alberta.	174,871 shares										
Jas. Richardson & Sons, Winnipeg, Manitoba.	117,639 shares										
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Archibald Park Newall Jr., 7607 - 7th St., S.W., Calgary, Alberta. Robert Clive Brown, 24 Massey Place, Calgary, Alberta. Frank Brown, 16 Massey Place, Calgary, Alberta. These three Directors of Dynamic are also Directors of Royal Canadian Ventures Limited.										
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<p>Marpoint holds the following securities included in the sale of its assets:</p> <table> <tr> <td>1,700,000 shares of Royal Canadian Ventures Ltd.,</td> <td>Cost \$325,000.00</td> </tr> <tr> <td></td> <td>Market Value \$170,000.00</td> </tr> <tr> <td>95,000 shares of Crusade Petroleum Corporation Ltd.</td> <td>Cost \$ 85,830.00</td> </tr> <tr> <td>(Marpoint shares have no quoted Market Value)</td> <td>Market Value \$ 38,000.00</td> </tr> </table>	1,700,000 shares of Royal Canadian Ventures Ltd.,	Cost \$325,000.00		Market Value \$170,000.00	95,000 shares of Crusade Petroleum Corporation Ltd.	Cost \$ 85,830.00	(Marpoint shares have no quoted Market Value)	Market Value \$ 38,000.00		
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	Market Value \$170,000.00										
95,000 shares of Crusade Petroleum Corporation Ltd.	Cost \$ 85,830.00										
(Marpoint shares have no quoted Market Value)	Market Value \$ 38,000.00										
18. Brief statement of any lawsuits pending or in process against company or its properties.	None										
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None other than required in normal drilling and producing operations.										
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	This transaction is subject to approval by the shareholders of both Marpoint Gas & Oil Corporation Limited and Dynamic Petroleum Products Limited. No shares of the company are now in the course of primary distribution to the public.										

CERTIFICATE OF THE COMPANY

DATED May 8th, 1962.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"F. Brown"

"R.C. Brown"

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)